the Minimum Support Price (MSP) programme should be expanded to cover all crops of importance to food and income security for small farmers.

(b) Yes, Sir.

(c) and (d) At present 25 crops of mass consumption of all India nature with fairly long shelf life and necessary for ensuring food/nutrition security are covered under the Minimum Support Price Programme. As far as horticultural and perishable agricultural commodities are concerned, their growers are provided protection from distress sales in the event of bumper crop, through the Market Intervention Scheme (MIS).

However, necessary consultation process to consider the specific recommendations made by the National Commission on Farmers has already been initiated.

Making Agriculture a remunerative profession

415. SHRI T.T.V. DHINAKARAN: Will the Minister of AGRICULTURE be pleased to state:

(a) the reasons for farming becoming a loss making profession particularly for small/marginal farmers;

(b) the steps taken to make farming a remunerative profession; and

(c) whether Government would formulate a scheme to help farmers in distress to prevent them from falling in debt trap?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) Analysis of cost of cultivation data of farmers, including small/marginal, shows that in 2002-03, the gross return over all expenditures per hectare ranged from Rs. 777.85 for Jowar to Rs. 46031.34 for Sugarcane. Rising input costs, high cost of modern technology, particularly to small and marginal farmers and crop failures are some of the main reasons for fluctuations in return from farming. A Statement showing the same during 1998-1999 to 2002-03 for principal crops in the major States is enclosed (*See* below).

(b) The steps taken by the Government for making agriculture sector more vibrant and dynamic so as to increase its production and productivity with resultant increase in income of farmers include (i) ensuring the timely availability of quality inputs; (ii) promoting farmer friendly, demand driven

agriculture extension system; (iii) accelerating diversification to high value crops including horticulture; (iv) enhancing institutional credit flow to farmers and strengthening of cooperative credit structure; (v) strengthening infrastructure and supply chain; (vi) reforming agriculture market, and widespread use of harvest technology; and (vii) putting in place a broader spectrum of risk management apparatus for farmers.

Further, to ensure that the farmers get remunerative prices, Government has been announcing Minimum Support Price (MSP) for important crops based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). While recommending MSP, the CACP, *inter alia*, takes into consideration cost of cultivation/production, trend and spread of input use, production and productivity of crop concerned and market prices. The Government also implements Market Intervention Scheme (MIS) for agricultural commodities that are not covered under MSP.

(c) To reduce dependence on non-institutional/non-formal sources of credit, the Government has announced a comprehensive credit package on 18th June, 2004 which aims at doubling the flow of agricultural credit in three years. The major components of this package, *inter-alia*, include restructuring of loans for providing credit related relief to farmers in distress, farmers in arrears, farmers indebted to informal sources and 'One Time Settlement Scheme' for settling the old and chronic loans of small and marginal farmers.

In the Union Budget 2006-07, the Banks have been asked to increased the level of credit to Rs. 175,000 crore and also add another 50 lakh farmers to their protfolio. In the Budget, it has also been announced that from the Kharif 2006-07, farmers would receive crop loans up to the principal amount of Rs. 3.00 lakh at 7 per cent rate of interest and the Government of India would provide necessary interest subvention to NABARD for this purpose. In order to provide further relief to the farmers who have availed of crop loans from Commercial Banks, Regional Rural Banks and Primary Agriculture Credit Societies for Kharif and Rabi 2005-06, and amount equal to 2 percentage points to the borrowers' interest liability on principal amount up to Rs. one lakh would be credited to his/her bank account before 31st March, 2006. For this purpose, an amount of Rs. 1700.00 crore has been provided in Budget 2006-07.

Statement

Gross Return per Hectare of Cultivation under various crops in Major States from 1998-99 to 2002-03

Rs./Hectare

Name of crops	Name of States	1998-99	1999-2000	2000-01	2001-02	2002-03
Wheat	Haryana	18548.87	21042.94	18583.00	18212.79	18729.93
	Punjab	16916.54	20965.27	19944.64	18803.72	16714.76
	Uttar Pradesh	13049.93	13722.10	11602.47	11201.68	11494.94
Paddy	Andhra Pradesh	13817.59	12989.54	12447.50	11841.90	16918.73
	Haryana	12103.27	12610.13	17716.31	16354.62	14797.29
	Punjab	11312.87	17232.10	18350.95	21135.61	16293.65
	West Bengal	13327.06	10824.00	6672.73	7137.45	5736.83
Jowar	Karnataka	3140.37	2561.51	1213.68	833.21	777.85
	Maharashtra	5023.36	5445 95	2591.69	1856.05	5735.29
Bajra	Gujarat	N.A.	3078.92	1826.14	5527.89	2787.58
	Uttar Pradesh	5985.66	7527.28	5039.80	5527.89	4792.93
Maize	Andhra Pradesh	6597.73	4104.31	2207.90	5125.24	5067.16
	Madhya Pradesh	3170.02	3212.46	1864.15	1734.75	1617.91
Gram	Madhya Pradesh	5728.94	7683.20	8754.89	10005.83	6642.61
	Uttar Pradesh	8862.31	N.A.	14824.76	12225.84	9245.41
Arhar	Maharashtra	11480.93	10405.89	7080.38	9466.08	8552.90
	Uttar Pradesh	15132.73	14538.11	12845.11	12145.04	10086.45
Soyabean	Madhya Pradesh	5408.42	4235.31	4202.01	5605.75	2729.20
	Maharashtra	6149.83	5229.00	3897.31	6201.40	5232.62
Ground Nut	Gujarat	13392.21	4567.61	2410.63	15665.21	7786.62
	Tamil Nadu	9927.90	8417.73	6329.19	1870.35	5488.33
Jute	Assam	7891.48	10442.34	8965.71	8813.05	4805.76
	West Bengal	10398.42	11696.27	7652.54	9489.56	9895.20
Sugarcane	Karnataka	45899.76	44540.06	36432.70	42745.17	46031.34
	Maharashtra	28460.24	25602.39	15327.38	19285.87	19329.94
	Tamil Nadu	52573.00	52654.57	51881.99	50257.19	33311.67
	Uttar Pradesh	30411.43	27582.53	28129.91	28764.85	27719.18
Cotton	Andhra Pradesh	N.A.	7785.64	12578.74	10731.05	20818.43
	Gujarat	14349.01	6312.10	1957.33	3710.00	8831 89
	Maharashtra	N.A.	6583.35	3304.54	2089.47	4000.68

Note: 1. Gross return is the difference between gross value of output and A2 cost of cultivation (all expenses in cash and kind including rent paid for leased in land)

2. N.A. Not Available